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SENATE BILL 1036

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

INTRODUCED BY

Stuart Ingle

AN ACT

RELATING TO PUBLIC ASSISTANCE; INCREASING THE DISPENSING FEE PAID BY THE MEDICAID PROGRAM TO PHARMACIES LOCATED IN RURAL AND CRITICAL ACCESS AREAS; AMENDING AND ENACTING SECTIONS OF THE PUBLIC ASSISTANCE ACT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 27-2-16 NMSA 1978 (being Laws 1974, Chapter 31, Section 1, as amended) is amended to read:

"27-2-16. COMPLIANCE WITH FEDERAL LAW. -- ~~[A.]~~ Subject to the availability of state funds, the human services department may provide assistance to aged, blind or disabled individuals in the amounts consistent with federal law to enable the state to be eligible for medicaid funding. Individuals shall be determined to be aged, blind or disabled according to regulations of the human services department.

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1                   ~~[B. If drug product selection is permitted by~~  
2 ~~Section 26-3-3 NMSA 1978, reimbursement by the medicaid program~~  
3 ~~shall be limited to the wholesale cost of the lesser expensive~~  
4 ~~therapeutic equivalent drug generally available in New Mexico~~  
5 ~~plus a reasonable dispensing fee of at least three dollars~~  
6 ~~sixty-five cents (\$3.65).]~~"

7                   Section 2. A new section of the Public Assistance Act is  
8 enacted to read:

9                   "[NEW MATERIAL] REIMBURSEMENT RATE-- PRESCRIPTIONS--  
10 MEDICAID. --

11                   A. To ensure continued access to quality pharmacy  
12 services for participants in the medicaid population and to  
13 ensure access by participants in rural parts of the state, the  
14 human services department shall establish by rule a methodology  
15 for determining reimbursement rates for all prescriptions to be  
16 paid through the medicaid program, including the state  
17 children's health insurance program and any waiver programs  
18 approved by the federal department of health and human  
19 services. The human services department shall utilize a  
20 methodology comprised of only ingredient cost and the  
21 dispensing fee.

22                   B. Reimbursement for rural pharmacies shall be at  
23 the rate set by the human services department, unless otherwise  
24 agreed to by the rural pharmacy by contract, provided that no  
25 contract shall require a rural pharmacy to accept a dispensing

underscored material = new  
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1 fee of less than four dollars (\$4.00). As used in this  
2 subsection, "rural pharmacy" means a pharmacy located in the  
3 county of Chaves, Curry, Eddy, Grant, Lea, Luna, McKinley,  
4 Otero, Roosevelt, Sandoval, San Juan, Taos or Valencia.

5 C. Reimbursement for critical access pharmacies  
6 shall be at the rate set by the human services department,  
7 unless otherwise agreed to by the critical access pharmacy by  
8 contract, provided that no contract shall require a critical  
9 access pharmacy to accept a dispensing fee of less than four  
10 dollars twenty-five cents (\$4.25). As used in this subsection,  
11 a "critical access pharmacy" means a pharmacy located in the  
12 county of Catron, Cibola, Colfax, De Baca, Guadalupe, Harding,  
13 Hidalgo, Lincoln, Mora, Quay, Rio Arriba, San Miguel, Sierra,  
14 Socorro, Torrance or Union.

15 D. Reimbursement for all urban pharmacies shall be  
16 at the rate set by the human services department, unless  
17 otherwise agreed to by the urban pharmacy by contract. The  
18 human services department may establish a different dispensing  
19 fee for urban pharmacies in medically underserved areas. As  
20 used in this subsection, "urban pharmacy" means a pharmacy  
21 located in the county of Bernalillo, Dona Ana, Los Alamos or  
22 Santa Fe. "

23 Section 3. EFFECTIVE DATE. --The effective date of the  
24 provisions of this act is July 1, 2005.